

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

April 11, 2001 LB 620

bill over the next biennium. With those cursory remarks, let me go to the substance of what the amendment is. This is a provision that would allow or would provide for an independent audit. If you can imagine that we have a circumstance now in which an activity of state government is not audited, we have one, and it deals with the incentive acts. The incentive acts are not audited in the way that you would think that other government programs are audited because all of the information is confidential. So there is no audit. What the amendment does is provide for an audit process that keeps all of the information confidential but provides for the audit. Now the mechanism for obtaining the audit is to cause the Auditor of Public...Auditor of Public Accounts to contract with a qualified independent firm to perform the audit. I have no illusions about the Auditor's Office having the current ability or the ongoing ability to conduct the kind of an audit that is called for in the amendment. And, of course, that's the reason you have a fiscal note, because if the Auditor is going to have to contract with somebody you are going to have to pay for that. So the bill provides for the Auditor of Public Accounts to contract with a qualified independent firm and to perform an audit of the Employment and Investment Growth Act, the Employment Expansion and Investment Incentive Act, the Invest Nebraska Act, and the Nebraska Redevelopment Act, and, finally, the Quality Jobs Act. Those are the economic development incentive acts that we have. If we don't pass the Investme...Invest Nebraska Act, it, of course, would not be applicable to that. What do we expect to find out of the audit? What are the directions to the company that is going to prepare the audit? They are to verify data collected from the companies receiving benefits. They are to determine whether or not there has been compliance with the law, both initially and throughout the entitlement period. They are to determine whether actions taken by the Department of Revenue to assure the requirements of the enabling acts are complied with. They are to determine whether or not, in fact, new jobs are created or whether we are simply moving around preexisting jobs. That's kind of a problem potentially, because if we are not getting new jobs out of it, you can make a good argument that we haven't met the objectives of the act. Right now we have no way to make an independent determination about whether or not we're actually getting new